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Sent: Monday, September 19, 2011 8:45 AM
To: Alemi, Manucher; Stephen.Hatchett@CH2M.com; Guivetchi, Kamyar
Cc: Greg Young; DCeppos@ccp.csus.edu; Jemaa, Fethi Ben
Subject: Economic Efficiency

Gentlemen,

You may recall that I was pretty vocal at last week's meeting regarding the questions of whether economic efficiency indicators are useful just retrospectively or can also be used inform policy setting. I want to clarify that these were not rhetorical questions, particularly the latter. I am not an economist and truly do not understand whether and how the kinds of indicators being discussed could be used for purposes of policy development. However, I can imagine how they could be misused, which is why I suggested that the potential uses be clarified, including some examples. I think this would be helpful for the entire group, and it would help to condition judgments regarding the importance of data quality.

Secondly, to the extent that "economic efficiency" is allowed into the WUE definitions, I think it is important to heed Steve's caution that we use the terms and concepts correctly. For example, if the "crop per drop" indicators that we have been discussing are not legitimate economic efficiency indicators, I would suggest that we either not use them or give them appropriate names that are technically correct to avoid misunderstanding and challenges to overall credibility.

Thank you for all of the effort DWR is putting into this process.

Grant

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